UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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ENGLISH

APPROVAL OF UNDP/UNCDF ASSISTANCE TO A PROJECT OF
LAO PEOPLE'S DEMOCRATIC REPUBLIC

IPF: (1989-1993) $39 493 000
(LAO/89/C04) - (LAO/89/015) - Rehabilitation of Sayaboury Paklay Road

Date of approval by the AC:[1]	20 November 1991
Expected duration:	39 months
Proposed executing agency:	UNDP/OPS
Government implementing agency:	Ministry of Transport, Communications and Postal Service
Proposed UNDP contribution:	$1 326 000
Proposed UNCDF contribution:	$5 065 800 Source of funds: General Resources
Total UNDP budget:	$6 391 800

Project background

Laos' Second Five-Year Development Plan (1986-1990) made the development of the national road network a priority, calling for approximately 40 percent of all public sector investments to be directed to this task. As the provision of transport continues to play a crucial role in the functioning of the country's administration and economy, the Third Five-Year Development Plan (1991-1995) has retained the previous plan's emphasis on the development of communications and transport. The focus of activity is to be on the rehabilitation of roads and ports.

Laos' present road network consists of 3,400 km. of national, 6,000 km. of provincial, and 4,000 km. of local roads. The preferred mode of transportation is by road, which accounts for 90 percent of both the goods and passenger transportation. Presently, about three quarters of the road network are in need of immediate rehabilitation or reconstruction.

The proposed project is the continuation of the joint UNDP/UNCDF project (LAO/85/C01-LAO/86/001) - Luang Prabang - Sayaboury Road Rehabilitation, which is being satisfactorily completed this year. It is located in the province of Sayaboury situated in the northwestern center of Laos. The region is totally cut off from the rest of the country by the Mekong River and the absence of an all weather road network.

The 178,000 inhabitants of the province of Sayboury live in approximately 500 small villages. The provincial capital, Sayaboury, located in the north of the province is now accessible, thanks to the newly rehabilitated Luang Prabang Sayaboury Road. The southern part of the province is completely isolated and inaccessible during most of the year due to the absence of a north-south all weather road link between Sayaboury and the city of Paklay

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modification to the project/revision may have occurred subsequently.

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in the South. The alternative is limited communication link by boat over the Mekong. The province yet has a potential for irrigated rice cultivation and cash crops (cotton, ground nuts, sesame) as well as mining and livestock.

Description of project

The immediate objectives of the project are to: (a) assist the Government in developing the communications and transport infrastructure; (b) develop the capacity of the Government to undertake road construction projects under sub-contractual modalities; (c) reduce transportation costs; (d) open up the northern provinces so as to allow exchange of goods and services between the various parts of the country, hence stimulating the economy of an area with high growth potential; and (e) strengthen the national institution and enterprises responsible for road rehabilitation and construction.

Project activities will include: (a) rehabilitation and construction of 152 km. of the provincial road linking Sayaboury to Paklay, located in the south of the province; (b) construction of three main bridges of the road over the rivers Nam Puy, Nam Phoun, and Nam Lay; and (c) providing training and assistance to the institutions responsible for road construction and maintenance.

Inputs

UNCDF will cover the costs of road construction equipment and materials; subcontracting enterprises for detailed design, technical studies and construction of the road and bridges; hand tools, vehicles, fuel, lubricants and spare parts; and monitoring and evaluation missions.

UNDP will finance the technical assistance which will comprise one road engineer as chief technical adviser, one mechanical instructor, one procurement and administrative officer; and training.

The Government will pay 50 percent of the cost of the road construction subcontract. It will also put at the disposal of the project all materials and tools necessary for the construction of the three bridges to be built across the rivers of Nam Pouy, Nam Phoune and Nam Lay; tools, machinery, a vehicle and other site equipment; land for both the road and the project workshop base; and local construction materials and the outfitting of the base camp.

Financial data

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	UNCDF	UNDP
Mission costs	180 000	25 000
Personnel	-	1 102 000
Subcontract	503 000	-
Expendable equipment	1 636 000	30 000
Non-expendable equipment	1 804 800	40 000
Transportation equipment	105 000	-
Operation and Maintenance	-	40 000
Base camp	40 000	-
Miscellaneous	144 000	40 000
Support costs	353 000	-
Contingencies	300 000	-
Total	5 065 800	1 326 000